E-commerce study sheet:

How it affects the marketing mix:

Price:

* Price transparency – the consumer now is able to gain a better knowledge of price comparisons in an instant. For example, they can use price comparisons in an instant. This forces organizations to be ever more competitive in terms of pricing strategies in order to maintain their market share.
* The internet also allows businesses to cut out intermediaries such as wholesalers and retailers. They can sell directly to the consumer. Therefore prices can be reduced. Then e-tailers can add postage and shipping costs to the price of their products.

Place:

* Distribution is an integral part of any marketing strategy. E-commerce enables many businesses to reach a global audience at a lower cost. **There is more competition.**
* E-commerce shortens the channels of distribution. So businesses can benefit from enormous **savings on their operating costs**.
* E-commerce is more convenient for customers.
* E-commerce now can capture more customers because they can use **different languages** at a much lower cost!
* Some customers need to try it and check the product out. They need more service. E-commerce is much more impersonal.

Product:

* There is no need to stock or display all of the products. It also **reduces storage costs.**
* There is a larger customer base so companies can use feedback from their websites to do **market research**. BMW captures people by letting them build their own car and saves the most popular customer designs.
* The product can be more specific and customized.
* Packaging might be different now and doesn’t need to be as flashy to convince customers to buy.
* Product information is easier to access. Just put all the information on the website. This saves money because expensive brochures and manuals can be expensive to print.
* Things that have not been affected by e-commerce: perishable product, specialist products and really expensive luxury products.

Promotion:

* Cost cutting because they are using on-line advertisements.
* Viral-marketing is now a promotional strategy.
* This is a new medium for promotion of a business to reach their customers.